

## Khadi production in India: a way forward to green economy

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# Khadi Production in India

## A Way Forward to Green Economy?

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Unlimited growth for prosperity in a finite planet is not possible. Ecological economists like Tim Jackson, Peter Victor, and others talk about prosperity without growth and highlight the need for greening the economy on a community scale. Using the “criteria of green economy enterprise” set by Jackson and Victor as a tool, this article looks at khadi production, India’s community-level cloth production system.

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“A green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities” (UNEP 2012). The single-most important challenge that humanity faces today is the need for economic development within ecological limits. Humanity must live within clear planetary boundaries to attain sustainability in the long run (Rockström et al 2009). Human well-being/prosperity should be the core agenda of an economy, which motivates economic activity and justifies economic output.

There is a strong relationship between ecology and prosperity (Jackson 2009) and “prosperity can only be conceived, as a condition that includes obligations and responsibilities to others” (Sardar 2007). Economic activity, which undermines ecology, will lead to unsustainable

prosperity. Unsustainable consumption is at the heart of ecological crisis. It leads to financial instability (Tienhaara 2010).

The effects of climate change are uncertain, and threaten potentially destabilising costs on society. If necessary action is not taken, it might lead to a loss of 5% to 20% of gross domestic product (GDP) per year (Spash 2007). But curtailing climate change is not an easy task. According to the International Energy Agency, at least \$11 trillion required between now and 2030 to shift away from fossil fuels (IEA 2009). According to familiar axioms, the problem of climate change may be tackled by internalising external costs such as environmental and social costs into the market value of a product. This action will send a clear signal to consumers and investors about the real costs of the product. It may also make them think and invest in alternatives.

But this idea has been hard to implement effectively over the last couple of decades (Jackson and Victor 2013). Hence many ecological economists are of the view that the combined challenges of resource scarcity and climate change require macro as well as microeconomic responses (Jackson 2009; Victor 2008). One

such attempt to understand such a possibility, was by Jackson and Victor (2013) on “green economy at community scale.”

This essay examines decentralised labour-intensive tool-based enterprises based on the “criteria of green economy enterprise” set by Jackson and Victor. The khadi industry, a cloth production industry, is considered at a community scale in India in this light.

## 1 Criteria for Green Enterprise

Jackson and Victor have put forward criteria to understand an enterprise from the perspective of “green economy at community scale.” It is argued that resource-efficient technology alone is not sufficient to categorise an enterprise as a green economy enterprise, it should also encompass social, political, environmental, and psychological dimensions. They suggest that a green economy enterprise should be based on shared (socially just), and lasting (ecologically sustainable) prosperity. It should not be just delivering goods and services, but should also maintain, and enhance social and environmental well-being. It should also help people to thrive and communities to flourish by providing stability in markets, security in employments, ecological integrity, sustainability in supply chains, and fairness.

This article tries to verify whether a decentralised labour-intensive tool-based enterprise really falls in the domain of green economy and can be labelled a “green economy enterprise.” To do this, the criterion set by Jackson and Victor is considered appropriate. The following are the five criteria of a green economy enterprise set by Jackson and Victor (2013),

- (i) Providing equitable distribution of goods and services needed for prosperity
- (ii) Using as little as possible in the way of materials and energy.
- (iii) Causing as little damage as possible to ecosystems and ecological assets.
- (iv) Offering people meaningful employment and the opportunity to participate in society.
- (v) Contributing to the vitality of the community.

## 2 Khadi as Case Study

Khadi has a unique history and evokes emotion in India. Khadi is a hand-spun

and hand-woven cotton cloth (Gandhi 1955). The term became popular when Mahatma Gandhi started to use it as a relief programme for the lower sections of society to eradicate poverty and unemployment during India’s freedom struggle. Khadi was promoted as an ideology of self-reliance and self-sufficiency. Khadi became a key symbol of the Indian freedom struggle. During the first half of the 20th century in India, most farmers were idle for about four months due to the dry season. At the same time the second biggest occupation in the country, the textile sector, which was mainly a decentralised rural industry, was suffering due to export of Indian cotton to England, and subsequent import of cost-ly finished cloth. In the process it deprived the local population of work and profit.

Gandhi raised this issue to protest against British rule, and to simultaneously provide employment for millions of underemployed rural folk. Gandhi urged people to grow and harvest their own cotton, produce their own cloth by spinning and weaving during the dry agriculture seasons. Any person can easily learn spinning on wheels and weaving on looms. People responded positively to the idea and it had an impact on British cloth production because of reduced demand for it in India. The success brought enormous courage among Indians to fight for freedom (Ramagundam 2008).

Khadi is a decentralised labour-intensive tool-based local cloth production, and encourages local consumption. It brings power to the grass roots from the top, it places non-violence in front of force, constructive work instead of class conflict, democracy instead of controls, aiming at the sanctity of means instead of final objectives and a philosophy about the individual instead of a

collectivist philosophy, it is not just merely a piece of cloth but a way of life (Gandhi 1955).

## 3 Assessing Khadi Enterprises

### 3.1 Equitable Distribution

Currently, 1.2 billion people are under extreme poverty around the globe (UN 2013b) and inequality is increasing (UN 2013a). This clearly shows that still the green and industrial revolutions are not completely successful in eradicating poverty and lessening the gap between the poor and rich. The search for a solution for poverty and unemployment within ecological limits is making it clear that industrialisation cannot provide jobs or wage-based work to entire populations.

Instead, if we have to provide full employment for all by increasing large-scale industries, the goods produced on this massive scale will be too much to consume at the domestic level and will have to be exported to other countries. But the crux of the problem is that all countries cannot export all the goods simultaneously to other countries, because they will also have excesses. It is becoming increasingly difficult to provide jobs in modern industries, especially in countries like India, because modern industries are centralised in nature and they need huge capital and infrastructure investments. Hence, to tackle poverty and unemployment, economic activity must be encouraged at a community level.

To sustain economic activity at the community level needs continuous market support. It is not easy for a community to be involved in production. So, any production system in the present situation should be able to give employment to people as well as provide them some decent purchasing power.

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Producing local products using local resources for the local market decreases the cost of goods compared to the goods produced in a distant place if we include environmental costs. Hence, it is necessary to include environmental costs on all goods produced. Once it is done, locally produced goods will become cheaper than goods produced by large-scale industries. In a community-run enterprise the cost of organisation, management, market, infrastructure and machinery, procurement of raw materials will be minimal. The cost of the final product will be lower. When this cost is lower, marketing becomes easy at the local level.

Any community-run economic activity should give more importance to basic commodities. Basic commodities such as food and clothes have a market throughout the year. So taking up production of products, which are basic and consumed locally, will lead to a more sustainable system. Khadi production in a community meets the first criterion of a green economy enterprise.

### 3.2 Less Materials and Energy

The tools used in khadi enterprise like the spinning wheel and handlooms, are extremely simple and inexpensive. These instruments are constructed from renewable resources like wood or bamboo within a few hours by any carpenter and are easily available to all including the weakest in the society (Gandhi 1955). The resources consumed are very minimal compared to large textile industries. The energy source for khadi enterprises is human power. Since it uses as little as possible in the way of material and energy, it certainly fulfils the second criteria to call it a green economy enterprise.

### 3.3 Minimal Damage

The core idea of khadi is self-reliance (SR) (Gandhi 1955). Hence it is intimately linked with ecological balance as Johan Galtung, the father of modern peace research argues,

Through SR ecological balance will be more easily attained. When ecological cycles contract the consequences of production and consumption, in terms of depletion and

pollution, will be not only more visible, but also more direct. The farmer who by and large produces what he consumes and consumes what he produces has the gut knowledge that pollution and depletion will be detrimental to him and his off-spring, and this very knowledge initiates the type of negative feedback that may prevent ecological problems from surfacing at all. Depletion cannot be relegated to some far-off corner of the world, because in that corner they are also practicing self-reliance and do not let raw materials out except to neighbors at the same level (Galtung 1976: 213).

Since khadi operates on human energy, there will always be a limitation on production. This will help to flourish within our planetary constraints. The overall ecological footprint of the whole activity will be very less. Hence, khadi meets the third criteria of a green economy enterprise.

### 3.4 Employment

A khadi enterprise does not produce just a piece of cloth; it creates self-sustained growth. Employment for all the members of a community is necessary not only to produce goods but also to sustain the same by creating necessary demand for goods. Khadi creates self-employment as well as purchasing power where none exists. Since khadi operates as self-employment, there will be no chronic exploitation of natural resources as well as human resource.

Hence it promotes a non-violent social order and operates as Gandhi emphasised, "The goal of constructive work is not to provide economic relief to the unemployed or to distribute some wages to the poor but to build a strong non-violent social order" (Gregg 1958: 232). Moreover, it creates so much interdependence within the community that it enables one to understand the value of interdependence almost at every step unlike the present system, which alienates people from one another. Like this, khadi meets the fourth criteria of a green economy enterprise.

### 3.5 Vitality of the Community

In khadi enterprise, an entire community with different intelligent capacities as well as the physically challenged can involve themselves since it is simple and easy to learn and pursue (Gandhi 1925).

There will be more space for freedom since each person of a community is self-reliant. Khadi is such an occupation that the entire family can involve in production despite being from different age groups. In this way the khadi meets the last criteria of a green economy enterprise.

## 4 Critiques

Khadi has been criticised for its slow production. The khadi worker's returns are high since he uses local resources and there will be very less spending of income on management, organisation, sales, advertisements, transportation, storage, electricity, machinery, factories, buildings, financial institutions, etc, as happens with large-scale industries. Hence, the slowness of khadi is therefore outweighed by what it alone can save in terms of all the monumental expenditures of production and distribution necessitated by other large-scale industries. What is relevant about khadi is not its speed but its simplicity and its consequent availability to one and all including the weakest, so that the market is assured to all in the society.

Khadi is a sign of economic backwardness and implies poverty, a view some people have. It is an entirely wrong notion. It is now clear that, if we consider the standard of living of industrialised countries as high, then it is not possible from every world community to attain the same standard because of ecological constraints. Hence, the contemporary economic system in future will lead to massive crisis and chaos. But on the contrary khadi enterprises will bring prosperity within ecological constraints. The acceptance of khadi is not backwardness. Khadi brings into production those who are unemployed, who are not contributing anything and who are considered a burden to society.

## 5 Challenges

Currently, khadi industry is under the Khadi and Village Industries Commission (KVIC), Government of India, which was established in 1957 (KVIC 2009). It is a statutory organisation engaged in promoting and developing khadi and village industries to provide employment

opportunities in rural areas, thereby strengthening the rural economy of the country. In spite of all these efforts, the khadi industry is diminishing (KVIC 2013) and people are shifting from the sector to urban-based enterprises. People are moving from small villages to cities in search of more income-generating jobs in the hope of a high standard of living without considering consequences on long-term sustainability. This is one of the biggest challenges to khadi enterprises.

As explained, the biggest challenge to start this kind of green economy enterprise is to make people aware of the unsustainability of the pursuit of high standards of living in people's mind. Changing mindsets of communities to lead simple lives with basic needs and cooperation is an initial essential step to achieve sustainability at community scale. This should be done in two planes. One is at the grass-roots level by showing the high quality of life in it and making aware of the issue of bankruptcy of conventional lifestyle and economics.

Another one is at a policy level by bringing suitable policy changes to include environmental costs on all goods produced, so as to encourage people to take up khadi kind of green economy enterprises. Khadi is an activity, which is well suited for a country like India. We should be able to identify the activities similar to khadi for different geographical regions and communities. Then only it is possible to achieve collective prosperity within our planetary boundaries.

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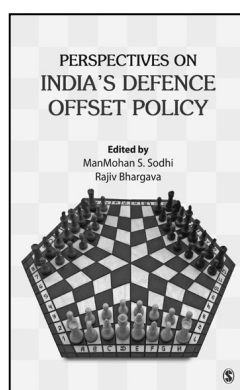
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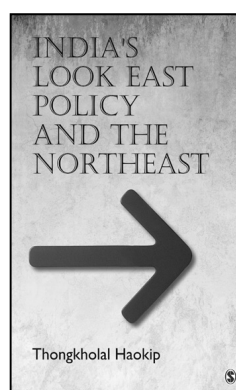
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